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Southern District of New York*

FOR IMMEDIATE RELEASE
MARCH 30, 2004

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**TWO SONS OF LATE MAFIA BOSS, JOSEPH COLOMBO, SR.,
AND 29 OTHERS INDICTED ON FEDERAL RACKETEERING CHARGES**

DAVID N. KELLEY, United States Attorney for the Southern District of New York, ELIOT SPITZER, New York Attorney General, PASQUALE D'AMURO, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation, MICHAEL BONGIORNO, Rockland County District Attorney, WAYNE E. BENNETT, Superintendent of the New York State Police, and ROSE GILL HEARN, Commissioner of the New York City Department of Investigation, announced the unsealing of two Indictments in Manhattan Federal Court charging alleged members and associates of the Colombo Organized Crime Family and others with racketeering, extortion, mail fraud, commercial bribery, money laundering, and the operation of illegal gambling businesses throughout the New York metropolitan area.

Among the defendants are ANTHONY COLOMBO and CHRISTOPHER COLOMBO, the first and fourth sons, respectively, of Joseph Colombo, Sr., from whom the Colombo Crime Family took its name. Joseph Colombo, Sr., the former boss of the Colombo Crime Family,

died in the 1970's after being gunned down in Columbus Circle in Manhattan.

The Colombo brothers and their racketeering co-defendants are charged with, among other things, engaging in schemes to extort legitimate construction companies and then using their control of those companies to defraud DoubleClick, Inc., a publicly-traded Internet advertising company, out of hundreds of thousands of dollars. The defendants allegedly defrauded DoubleClick by paying kickbacks of at least \$90,000 and other favors to a former DoubleClick employee who approved the systematic overbilling of his employer.

A separate Indictment, arising out of the same investigation, charges PATRICK MAGUIRE and others with money laundering, loansharking, and the operation of a lucrative illegal bookmaking business.

The two federal Indictments, charging a total of 31 defendants, are the result of coordinated investigations over the past four years by federal, state, and local authorities, including the United States Attorney's Office for the Southern District of New York, the New York State Organized Crime Task Force of the Attorney General's Office, the Federal Bureau of Investigation, the New York State Police, and the New York City Department of Investigation.

Twenty-nine the defendants were arrested this morning,

one is still being sought and the last, PHILIP DIOGUARDI, died recently. Those taken into custody will be arraigned later today in Manhattan Federal Court, at 500 Pearl Street.

THE COLOMBO INDICTMENT

This Indictment, which names 19 defendants and contains 27 counts, charges that ANTHONY COLOMBO, GERARD CLEMENZA, CHRISTOPHER COLOMBO, JOHN CONTINO, PHILIP DIOGUARDI, JOHN BERLINGIERI, and JOSEPH FLACCAVENTO were members of the Colombo Brothers Crew, an off-shoot of the Colombo Organized Crime Family of La Cosa Nostra (the "Colombo Brothers Crew"). The Colombo Brothers Crew was formed in the mid-1990's after a bloody civil war within the Colombo Crime Family, which led to the murders of numerous soldiers and associates in the Colombo Crime Family.

The Indictment also charges the members of the Colombo Brothers Crew with conducting and conspiring to conduct the affairs of a racketeering enterprise through a pattern of 11 separate acts of racketeering activity, including extortion, the making of extortionate extensions of credit and the collection of extensions of credit through extortionate means (commonly known as "loansharking"), mail fraud, commercial bribery, and the operation of illegal gambling businesses.

According to the Indictment, the Colombo Brothers Crew, through a pattern of threats and intimidation, took control of

several related companies that were in the business of facilities management and construction, namely, EDP Construction, Inc., EDP Facilities Management, Inc., and EDP Interiors, Inc., (collectively, the "EDP Entities"). ANTHONY COLOMBO, JOHN CONTINO, and others then used the EDP Entities as vehicles to conduct various additional crimes, including schemes to defraud DoubleClick, a client of the EDP Entities, and to provide friends, relatives, and associates with no-show jobs at the EDP Entities and at DoubleClick.

According to the Indictment, ANTHONY COLOMBO, CHRISTOPHER COLOMBO, JOHN CONTINO, and others, used the Colombo Brothers Crew's corrupt influence over, and extortionate control of, the EDP Entities to, among other things, (1) take control of most of the business operations of the EDP Entities; (2) obtain hundreds of thousands of dollars in compensation for themselves; and (3) obtain no-show jobs, wages, and/or other benefits, including unemployment payments, for members of their Crew, members of their families, and their associates. In particular, as charged in the Indictment, an immediate family member of ANTHONY COLOMBO, as well as PHILIP DIOGUARDI - a member of the Colombo Brothers Crew - were paid tens of thousands of dollars for no-show jobs.

According to the Indictment, after ANTHONY COLOMBO and JOHN CONTINO took extortionate control of the EDP Entities,

DoubleClick entered into various contracts with those entities. These contracts were approved by defendant FRANCIS ALTIERI, who was the facilities manager at DoubleClick and the primary employee responsible for reviewing and approving expenditures relating to the maintenance and improvement of DoubleClick's offices. From 1999 through 2002, the EDP Entities allegedly performed work and provided services at DoubleClick's offices in Manhattan, including interior construction and facilities management. During this period, as charged in the Indictment, the EDP Entities, at the direction of ANTHONY COLOMBO and JOHN CONTINO, regularly submitted fraudulent invoices to DoubleClick. These fraudulent invoices, which double-billed DoubleClick for construction, cleaning, and maintenance services, were personally approved for payment by ALTIERI in his capacity as facilities manager.

During this same period, in exchange for ALTIERI's approvals of the fraudulent invoices and other benefits, ANTHONY COLOMBO and CONTINO arranged for ALTIERI to receive at least \$90,000 in kickbacks. These payments from ANTHONY COLOMBO and CONTINO to ALTIERI, moreover, were made without the knowledge of ALTIERI's superiors at DoubleClick and were in direct violation of the written policies and procedures of DoubleClick.

In addition to extortion, fraud, and bribery, Crew

members ANTHONY COLOMBO, GERARD CLEMENZA, CHRISTOPHER COLOMBO, PHILIP DIOGUARDI, JOHN BERLINGIERI, and JOSEPH FLACCAVENTO are charged in the Indictment with six separate racketeering acts involving loansharking. As part of the Crew's loansharking business, the Crew members made loans to, and collected on these loans from, various victims, including a law enforcement officer acting in an undercover capacity. The Indictment also charges 12 additional counts of loansharking, two of which also charge NUNZIO FLACCAVENTO, the father of Crew member JOSEPH FLACCAVENTO.

From 1999 through 2002, the Colombo Brothers Crew, as charged in the Indictment, also operated a lucrative illegal gambling operation. Crew members ANTHONY COLOMBO, CHRISTOPHER COLOMBO, PHILIP DIOGUARDI, JOHN BERLINGIERI, as well as PAUL SEIPMAN, LEO CALDERA, EDDIE ROBINSON, ANTHONY DEFRANCO, ANTHONY SEDIA, VINCENT LAROSA, BRYAN KELLEY, GEOFFREY HAWTHORNE, ROBERT DI MARTINO, and JOSEPH HERNANDEZ are charged with operating an illegal gambling business, transmitting wagering information over a wire facility, and using a wire facility in aid of racketeering.

Finally, the Colombo Indictment also contains criminal forfeiture allegations regarding the property unlawfully obtained by the Colombo Brothers Crew. Specifically, the Indictment seeks to forfeit at least \$10 million from the seven defendants charged

in the racketeering offenses. In addition, the Indictment seeks to forfeit, as substitute assets, the residences of ANTHONY COLOMBO and GERARD CLEMENZA.

THE MAGUIRE INDICTMENT

The investigation of the Colombo Brothers Crew also revealed the existence of a related criminal organization headed by PATRICK MAGUIRE. As charged in a separate six-count indictment, between 2000 and 2002, MAGUIRE, IRA SOBEL, a/k/a "Kelso," BETH SOBEL, a/k/a "Claire," a/k/a "Beth Sobel Sanchez," JOHN DILLENBECK, a/k/a "JD," a/k/a "Lollipop," JOSEPH ASSENZIO, a/k/a "Iceman," HENRY BURROUGHS, a/k/a "Harlem," FRANCIS ALESSIO, LUIGI SESSA, a/k/a "Louie," LOUIS DeSTEFANO, a/k/a "Cheech," a/k/a "Chi-Chi," JOHN McRORY, MICHAEL KENNEY, and WILLIAM McANDREWS, a/k/a "Billy Mac," operated a large-scale gambling business in New York City.

As charged in the Maguire Indictment, this sports-betting business, which netted tens of thousands of dollars per week, utilized multiple wire rooms at various locations throughout the New York metropolitan area, employed numerous workers, and serviced scores of customers.

Moreover, as charged in Counts Four and Five of the Maguire Indictment, MAGUIRE illegally laundered his illicit gambling proceeds by, among other things, (a) causing a portion of

the proceeds to be delivered to co-conspirators for subsequent deposit into a safety deposit box registered in the names of members of MAGUIRE's family, and (b) causing some of the illegal gambling proceeds to be deposited into various bank accounts associated with companies controlled by MAGUIRE but not otherwise involved in any actual business activity.

Finally, as charged in Count Six of the Maguire Indictment, between April 2001 and January 2002, MAGUIRE and JOHN DILLENBECK also participated in a conspiracy to make loansharking loans to various victims.

Mr. KELLEY expressed his appreciation to the United States Postal Inspection Service, the United States Department of Labor, and the Orange County District Attorney's Office for their assistance in the investigation and also thanked DoubleClick, Inc., for its cooperation in the investigation.

If convicted of racketeering or racketeering conspiracy, defendants ANTHONY COLOMBO, GERARD CLEMENZA, CHRISTOPHER COLOMBO, JOHN CONTINO, JOHN BERLINGIERI, and JOSEPH FLACCAVENTO face a maximum sentence of 20 years' imprisonment.

For each extortion or extortion conspiracy count of conviction, defendants ANTHONY COLOMBO, CHRISTOPHER COLOMBO, and JOHN CONTINO, each face a maximum sentence of 20 years'

imprisonment.

For each loansharking count of conviction, defendants ANTHONY COLOMBO, GERARD CLEMENZA, CHRISTOPHER COLOMBO, JOHN BERLINGIERI, JOSEPH FLACCAVENTO, NUNZIO FLACCAVENTO, PATRICK MAGUIRE, and JOHN DILLENBECK face a maximum sentence of 20 years' imprisonment.

For each money laundering count of conviction, defendant PATRICK MAGUIRE faces a maximum sentence of 20 years' imprisonment.

For each mail fraud count of conviction, defendants ANTHONY COLOMBO, CONTINO, ALTIERI, and face a maximum sentence of 5 years' imprisonment.

For each count of conviction relating to commercial bribery, defendants ANTHONY COLOMBO, CONTINO, and ALTIERI face a maximum sentence of 5 years' imprisonment.

For each count of conviction on conspiracy charges, the defendants face a maximum sentence of 5 years' imprisonment.

For each count of conviction for operation of an illegal gambling business, the defendants face a maximum sentence of 5 years' imprisonment. For each count of conviction for transmission of wagering information, defendants face a maximum sentence of 2 years' imprisonment.

The case is being prosecuted by Assistant United States

Attorneys PREET BHARARA, BENJAMIN LAWSKY, and Special Assistant United States Attorney MERYL LUTSKY, an Assistant Deputy Attorney General with the New York State Organized Crime Task Force.

The charges contained in these Indictments are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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